

SIGMA GAS CORPORATION

PO Box 22
Salyersville, Kentucky 41465

City of Salyersville
Manager

606-349-1505

September 10, 2005

RECEIVED

SEP 12 2005

Ms. Beth O'Donnell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

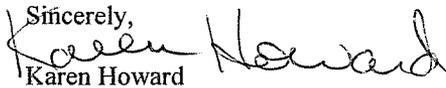
PUBLIC SERVICE
COMMISSION

Case 2005-00366

Dear Ms. O'Donnell:

Sigma Gas Corporation would like to ask for an extension for filing our quarterly report of Gas Cost Recovery. We are the new managers of Sigma Gas and this is the first time for filing this form.

Enclosed is the Gas Cost Recovery for October 2005 thru December 2005. If you have any questions, call at the above number.

Sincerely,

Karen Howard

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SIGMA GAS CORPORATION

PO Box 22
Salyersville, Kentucky 41465

SEP 12 2005

PUBLIC SERVICE
COMMISSION

City of Salyersville
Manager

606-349-1505

	Base Rate	Gas Cost Recovery	Total
First MCF (Minimum Bill)	6.25	14.24	20.49
All Over First MCF	4.5522	14.24	18.79

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

| September 12, 2005

Date Rates to be Effective:

| October 2, 2005

Reporting Period is Calendar Quarter Ended:

| June 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	14.49
+ Refund Adjustment (RA)	\$/Mcf	0
+ Actual Adjustment (AA)	\$/Mcf	(.1581)
+ Balance Adjustment (BA)	\$/Mcf	(.0872)
= Gas Cost Recovery Rate (GCR)		14.24

GCR to be effective for service rendered from OCT to DEC

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A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	69,1003.44
+ Sales for the 12 months ended _____	Mcf	47,687
= Expected Gas Cost (EGC)	\$/Mcf	14.49

B. <u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch.III)		
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
= Refund Adjustment (RA)	\$/Mcf	

C. <u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0863)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.4748)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.4140
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0110)
= Actual Adjustment (AA)	\$/Mcf	(.1581)

D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(.0075)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0476)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0171)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(.015)
= Balance Adjustment (BA)	\$/Mcf	(.0872)

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended _____

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Auxier RD			49428	13.98	691,003.44

Totals			49,428		691,003.44
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Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	
= Total Expected Gas Cost (to Schedule IA)	\$	

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period) _____

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/>		<hr/>
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended _____ (reporting period)

Particulars	Unit	Month 1 (April)	Month 2 May	Month 3 June
Total Supply Volumes Purchased	Mcf	3180	1898	802
Total Cost of Volumes Purchased	\$	<u>21,024.59</u>	<u>14,631.49</u>	<u>6182.54</u>
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	<u>3021</u>	<u>1803</u>	<u>802</u>
= Unit Cost of Gas	\$/Mcf	<u>6.9594</u>	<u>8.1150</u>	<u>7.7089</u>
- EGC in effect for month	\$/Mcf	<u>8.1683</u>	<u>8.1683</u>	<u>8.1683</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	<u>(1.2089)</u>	<u>(.0533)</u>	<u>(.4594)</u>
x Actual sales during month	Mcf	<u>3021</u>	<u>1803</u>	<u>802</u>
= Monthly cost difference	\$	<u>(3652.08)</u>	<u>(96.09)</u>	<u>(368.43)</u>

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	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	<u>(4116.60)</u>
÷ Sales for 12 months ended _____	Mcf	<u>47,687</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	<u>(.0863)</u>

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	<u>9557</u>
Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	
Equals: Balance Adjustment for the AA.	\$	<u>9918</u> <u>(361)</u>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA	\$	_____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>(361)</u>
÷ Sales for 12 months ended _____	Mcf	<u>47,687</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>(.0075)</u>

Jefferson Gas, LLC
 220 Lexington Green Circle, Suite #130
 Lexington, KY 40503

September 8, 2005

City of Salyersville
 P.O. Box 640
 Salyersville, KY 41465

Estimated Gas Cost Computation per MCF

	Quarter beginning:	10/01/05
	Quarter ending:	12/31/05
Monthly delivery contracts settle price on 1st day of month prior to beginning of quarter.		
NYMEX settle price on September 1, 2005 for gas sold in October	\$	11.757
NYMEX settle price on September 1, 2005 for gas sold in November		11.967
NYMEX settle price on September 1, 2005 for gas sold in December		12.227
Average NYMEX settle price as of September 1, 2005		11.984
Add: transportation charge per mcf		2.000
Estimated gas cost computation per mcf	\$	<u>13.984</u>

Adjustment to actual will be debited or credited to account within 90 days after the end of the quarter!